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Before the  
Federal Communications Commission  
Washington, D.C. 20554

In the Matter of	)	
	)	
Connect America Fund	)	WC Docket No. 10-90
	)	
A National Broadband Plan for Our Future	)	GN Docket No. 09-51
	)	
Establishing Just and Reasonable Rates for Local Exchange Carriers	)	WC Docket No. 07-135
	)	
High-Cost Universal Service Support	)	WC Docket No. 05-337
	)	
Developing an Unified Intercarrier Compensation Regime	)	CC Docket No. 01-92
	)	
Federal-State Joint Board on Universal Service	)	CC Docket No. 96-45
	)	
Lifeline and Link-Up	)	WC Docket No. 03-109

**REPLY COMMENTS OF IOWA TELECOMMUNICATIONS ASSOCIATION**

These comments are submitted by the Iowa Telecommunications Association<sup>1</sup> (ITA) in response to certain comments submitted April 1, 2011 in response to Section XV of the NPRM released February 9, 2011 (hereafter “the NPRM”). The Section XV comments address the issues of (1) compensation for VOIP traffic, (2) phantom traffic and (3) access stimulation. ITA will focus on Iowa specific issues.

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<sup>1</sup> The Iowa Telecommunications Association (ITA) is the nation’s largest member telephone association with 143 active telecommunications provider members. ITA represents all incumbent local exchange carriers (“ILECs”) in Iowa except for Windstream and about seven small independents. Together these rural providers serve approximately 225,000 rural Iowans. ITA also represents three competitive local exchange carriers (“CLECs”) and one Centralized Equal Access Provider. ITA members Frontier Communications and CenturyLink do not participate in these comments and may file their own comments in this matter.

With respect to VOIP traffic, ITA joins the chorus of voices found in the comments which suggest that this traffic should be treated as all other interexchange traffic and is subject to access charges for the use of LEC facilities necessary for call origination or termination.<sup>2</sup>

Likewise, ITA supports the proposed rules of the Commission and the comments of others directed to assuring that the call signaling contains and retains sufficient numbering information to mitigate phantom traffic.

### **ACCESS STIMULATION**

There appears to be a wide variance in approaches to address access stimulation, although the direction of the comments seem to be that if a company is sharing revenues for access traffic to increase the minutes of use throughout its network, the rates for this increased volume should be reviewed. As the Commission identified at Paragraph 658 of its NPRM, it seeks to curb access stimulation while not adversely impacting the economic development activities of rural companies. As stated by the Rural Associations' comments<sup>3</sup> at page 32 "At the same time, the Commission must take care to distinguish between situations where traffic levels are artificially inflated and situations where traffic increases as a result of legitimate and much needed economic activity in rural areas." The differing views arise in determining the trigger to identify stimulated traffic sought to be affected.

The Commission addresses this issue beginning at Paragraph 635 of its NPRM. It states "in broad terms, access stimulation is an arbitrage scheme employed to take advantage of intercarrier compensation rates by generating elevated traffic volumes to maximize revenues."

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<sup>2</sup> See Comments of Iowa Utilities Board – Section 1, pp 3-10.

<sup>3</sup> Comments filed by the National Exchange Carrier Association, National Telecommunications Cooperative Association, Organization for Protection and Advancement of Small Telephone Companies, Western Telecommunications Alliance, Eastern Rural Telecom Association, and Rural Broadband Alliance (the "Rural Associations") in this docket on April 1, 2011.

(Para. 636) The issue is one of the ability to pay a company to promote its traffic into a high cost exchange by sharing a portion of the access revenues which will be generated.

The Commission expressly recognizes that it seeks “to strike the appropriate balance of addressing the policy concerns outlined above without imposing unnecessary burdens on LECs or inadvertently stifling non-stimulated competition in rural areas.” (Para. 658) The Commission addresses the issue by going to the source of the problem, “to address access stimulation, we propose to adopt a trigger based on the existence of access revenue sharing arrangements. As discussed below, once a particular LEC meets the trigger, it would be subject to modified access charge rules that would vary depending upon the nature of the carrier at issue.” (Para. 659)

ITA fully supports the direction taken by the Commission to assure that rates are brought into line for the service provided when it is demonstrated that a LEC is routing its traffic through the vehicle of a sharing of a portion of access revenues.

However, when the Commission looks at other proposals, it should not look to the rules enacted by the Iowa Utilities Board because those rules fail to strike that appropriate balance that the Commission discussed in addressing the issue of access stimulation while not imposing burdens on LECs or inadvertently stifling non-stimulated competition in rural areas. (Para. 658)

The IUB discussed its actions at pages 11-18 of its Comments filed April 1, 2011. The IUB adopted a 100% increase in MOUs in less than six (6) months as its trigger. Other commenters in this proceeding have also suggested fixed MOU triggers. However, such fixed MOU triggers do not distinguish between good business growth in traffic and “stimulated” traffic of the type perceived to be the problem.

The ITA addressed these questions in its February 1, 2010 comments to the IUB.<sup>4</sup> The ITA comments in the Iowa docket are totally consistent with and in support of the approach taken by the Commission in the NPRM. The relevant comments to the IUB are equally relevant here and are provided as Attachment A to these comments.

In light of all of those comments, ITA encourages the Commission to retain its proposed trigger which goes to the heart of the matter and to reject any alternative proposal based on the rules enacted in Iowa.

### **POINT OF INTERCONNECTION**

An additional item relating specifically to Iowa in the filed comments was raised by AT&T. Their comments filed April 1, 2011 contain a section which it refers to as “mileage pumping”. In that section, AT&T argues an issue which has developed between IXC's and Iowa LEC's and Iowa Network Services (INS) as a centralized equal access (CEA) provider. AT&T attempts to attack a principle which has been established since the formation of INS.

In the first instance, this issue is not a part of the NPRM. The comments are simply not germane to the issues pending before the Commission in this proceeding. If AT&T wishes to attack a foundational principle established at the formation of INS, it will need to seek an appropriate proceeding before the FCC to address changing the principle.

Secondly, AT&T by its comments attempts to inject into this proceeding the issue which is pending before the federal district court for the Northern District of Iowa in *Alpine Communications, et al. v. AT&T*, No. 02:08-CV-01042. That case was submitted to the federal court on cross motions for summary judgment. The court declined to rule on the cross motions

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<sup>4</sup> Iowa Utilities Board Docket No. RMU-2009-0009 In re: High Volume Access Service [199IAC22])

and ordered that the issue be referred to the FCC. That order is now the subject of a motion for reconsideration or for certification to the 8th Circuit Court of Appeals.

AT&T presents its spin on these issues at pages 31-33 of its comments. It claims “In recent years, however, certain Iowa LECs and INS devised a scheme to game the CEA system”. And that the “LECs entered into sham arrangements with INS” and that the arrangements “were all paper transaction”. The gravamen of the case in Iowa is that the IXC’s have refused to pay transport charges of LECs to their designated point of interconnection with INS. AT&T claims that Iowa LECs do not have the ability to choose their point of interconnection with INS but rather must chose that point of interconnection which is closest to their local exchange. That position is wholly inconsistent with the tariffs, contracts, orders of the IUB and of Iowa courts and finds no support in the tariffs or laws.

The relationship between the LEC and the IXC is established pursuant to NECA Tariff No. 5. Subsection 6.1.3(A) provides “Unless otherwise ordered by the FCC, if the telephone company elects to provide equal access through a centralized equal access arrangement, the telephone company will designate the serving wire center.” The serving wire centers for INS are identified in NECA Tariff FCC No. 4 and include eight identified locations in Iowa, one of which is Des Moines. AT&T has refused to pay transport charges from Des Moines to the POI AT&T claims must be used.

The relationship between INS and the IXC’s is governed by INS Tariff FCC No. 1. Subsection 6.5.2 provides “When a customer’s point of interconnection is located at Iowa Network’s central access tandem, Iowa Networks shall design and determine the routing of switched access service and the selection of facilities from Iowa Network’s central access tandem to the end offices of the routing exchange carriers serving the customer.”

The relationship between INS and the LECs is determined in accord with their Traffic Agreements. Those agreements provide that the LEC may choose its point of interconnection on the INS network.

In the IUB's Final Decision and Order Approving Establishment of INS in 1988 in *In Re: Iowa Network Access Division, Division of Iowa Network Services*, Docket No. RPU-88-2, the IUB addressed the question specifically "Should participating telephone companies be allowed to route their originating terminating traffic as they wish?" The IUB concluded "A network to concentrate the toll traffic of so many local exchange companies could not operate effectively if the local exchange companies are not allowed to control the routing of their traffic. The participating telephone companies will be allowed to route their traffic pursuant to their participation agreement with INS . . . It is reasonable that the participating telephone companies be allowed to route their toll traffic as they choose in this case pursuant to the participation agreement, both before an originating call has been delivered to INS and after a terminating call has been delivered to INS."

Again, the issue arose in the matter of *Northwestern Bell Telephone Company v. Farmers Mutual Telephone Company* and *Iowa Network Services*, IUB Docket No. FCU-90-6. In the Proposed Decision and Order issued May 10, 1991, the IUB concluded "Moreover, the PTCs were given the right to designate which of the POIs to use and how to route their traffic through the POI to connect with the INS switch. . . . pursuant to its regulatory authority under Iowa Code Chapter 476, the IUB has already given the PTCs the unqualified right to determine how to route their own local access transport traffic. Moreover, it has already been established that interexchange carriers do not have an unqualified right to select the point of interconnection between interexchange utilities and local exchange utilities . . . . The essential decision giving

control over the routing of local access transport traffic to the PTCs has already been made by the Board in Docket No. RPU-88-2.”

While AT&T claims that in recent years certain Iowa LECs and INS devised a scheme to game the CEA system, the record in the federal court case makes clear that 26 Iowa LECs did not elect the POI closest to their exchanges and that 16 Iowa LECs had their POI in Des Moines from the beginning of INS which was not the closest POI to their local exchange.

There is simply nothing in any of the tariffs or authorities that support the proposition of AT&T that the LECs must choose their point of interconnection on the INS network closest to their local exchange. This is merely an effort by AT&T to establish a principle that the LECs can only establish POIs which are found to be the greatest economic benefit to the IXC, even if wholly unsupported by the applicable tariffs or law.

### **SELF-HELP**

The activities of AT&T above give a concrete example of the type of unreasonable self-help discussed in the comments filed by the “Rural Associations” in Section V beginning at page 36. The rights of the Iowa LECs to establish their POI on the INS network have been recognized since the inception of INS. When AT&T decided it should be able to dictate where that POI would be and not have to pay the transport charges, it simply announced that it would cease paying and, in the exercise of self-help, just stopped paying those access charges.

AT&T has thus far stopped paying access billings without any consequences. In effect, AT&T has adopted a “self-help” strategy of non-payment, and taunted the small carriers to file suit. AT&T has vast and nearly unlimited resources to contest the small carriers and have staffs

assigned to advocate their position before political and regulatory bodies. Most small carriers lack the resources to initiate such litigation, and the end result is that AT&T's strategy pays off.

Other carriers operating in Iowa have engaged in self-help. Recently, the Iowa Utilities Board ruled that Sprint acted inappropriately by withholding access billings which were not disputed.<sup>5</sup> In doing so, it quoted an earlier decision disapproving of "self-help," or unilateral withholding of undisputed payments. Unfortunately, it is now commonplace in Iowa for the IXC's to simply withhold payment whenever they question a bill, even after the ILEC has reviewed and rejected the dispute. In the Sprint case, Sprint created an offset for its claims by withholding payment for bills that were not under dispute. This was rejected by the IUB. Nevertheless, other IXC's still employ the offset mechanism for both disputed and undisputed charges.

The tariffs at the federal and state level are reasonably uniform in providing that, if there is a dispute, the issue will be brought by the IXC to the LEC for resolution. If the LEC rejects the position stated in the dispute, the IXC is supposed to pay the charges and pursue resolution of issues in whatever forums they choose. However, now the IXC's simply choose not to pay and suffer no consequences for their failure to do so.

ITA concurs with the suggestions of the "Rural Associations" to address the pernicious problem of self-help and agrees the Commission can help resolve collection disputes by confirming it is not a violation of the Act to discontinue service for nonpayment of properly-billed access charges, provided carriers follow the relevant provisions in their tariffs, including notice of pending service termination and by developing procedures that would resolve disputes more quickly.

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<sup>5</sup> In re: Sprint Communications Company v. Iowa Telecommunications Services, Inc., d/b/a Iowa Telecom (Docket No. FCU-2010-0001),



## CONCLUSION

The Commission in its first round of comments is informed on several issues not so much dealing with new directions, but on clarification and tightening of its rules regarding intercarrier compensation. The ITA supports those positions which:

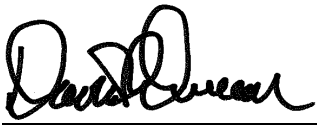
1. Recognize that the technology by which calls are completed to or over the networks of local exchange carriers (LECs) should not be relevant to whether or not the LEC is compensated for the use of its network. If call completion utilizes the LEC networks, the LEC should be paid a reasonable fee for that use. The users should be payers for the cost of the network. There should be no free rides.
2. Assure that traffic is identifiable so that proper charges can be made. Persons putting traffic on the network and transporting and switching that traffic should assure that the means for identification of the traffic are carried with the traffic. If necessary information is not included with the call, the call should not be carried further. If there is insufficient information, the call should not be completed anymore than if there were an insufficient number.
3. Require that if traffic is stimulated through an access revenue sharing agreement where the LEC is a net payer for this traffic, there should be a review of the access rate to assure that it is still reasonable and just in light of volume of the traffic generated.

While the matter is not germane to this proceeding, since AT&T brought up the subject matter, the Commission should be informed on the background of the POI issue claimed by AT&T. The tariffs, cases and history of INS make clear that the LECs will determine their POI on the INS network. AT&T's nonpayment of the transport charge is based on its desire to dictate to Iowa companies what they can do and what AT&T should pay. Its claim that Iowa companies must use the closest POI on the INS network is without any support in the tariffs or law.

The self-help actions of AT&T are symptomatic of the problems addressed by the Rural Associations in their comments. The Commission must take action to correct the self-help bullying of small LECs by the largest carriers in this country.

Respectfully submitted this 18<sup>th</sup> day of April, 2011.

IOWA TELECOMMUNICATIONS ASSOCIATION

By: 

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### **CERTIFICATE OF SERVICE**

I hereby certify that a copy of the Associations' Comments was served this 18<sup>th</sup> day of April, 2011 by electronic filing and e-mail to the persons listed below.

By: /s/ Andrea Haney  
Andrea Haney

The following parties were served:

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## ATTACHMENT A

(Excerpts of Comments filed by ITA in Iowa Utilities Board Docket No. RMU-2009-0009 In re: High Volume Access Service [199IAC22], February 1, 2010)

ITA understands the Board's reason for examining whether to establish rules to govern "access stimulation." In its Order Initiating Rulemaking, the Board stated that it intended to separate those situations that represent a true HVAS from normal variations in access billings or typical levels of growth in access services.

ITA submits, however, that the Board cannot equitably address its principal concern by developing a definition of HVAS based purely on the volume of terminating or originating minutes traversing a network. The Board should abandon any attempt to define HVAS based on any MOU trigger (whether based on increased minutes, increased percentage of minutes, or some combination thereof.) Any attempts to use MOU triggers are likely to cast a wide net to unfairly include those companies who do not engage in access stimulation and thus have a detrimental impact on economic development in rural areas.

Instead, ITA proposes that the Board focus on reviewing revenue-sharing agreements or instances of "purchased minutes of use" to determine if such agreements have an impact on the rates that should be charged for that traffic.

### **I. Defining High Volume Access Services (HVAS)** **a. The Proposed Rules Fail to Identify or Address the Perceived HVAS Problem**

While the Board has acknowledged that "HVAS situations tend to be fact-sensitive and individualized" the proposed rules paint with too broad of a brush. When drafting rules governing regulated LECs who concur in ITA's Access Tariff, the Board should take great care to clearly identify what activities should subject the LEC's business practices to substantially increased scrutiny. The severe impact of forcing a company out of the ITA Access Tariff and into costly and time-consuming HVAS proceedings was discussed during the comments and oral presentation.<sup>6</sup>

Any HVAS definition should be based on a data-driven record that clearly defines what types of traffic increases generate potentially unfair returns unless their rates are adjusted, and which types of traffic increases can be considered "safe harbor". The Board presumably wants to avoid consuming its resources examining most circumstances when a rural

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<sup>6</sup> Any such company would be forced into expensive and time-consuming negotiations, arbitration, legal proceedings, and discovery. In addition, the company would not be allowed to bill for the access minutes until all of those proceedings were completed, and the best case scenario would provide an access rate significantly below that of the ITA Tariff.

carrier is fortunate enough to experience an increase in the use of its network.

Interestingly, none of the participants except the Office of the Consumer Advocate have indicated their support for the proposed definition of how to distinguish between that traffic that is considered HVAS and non-HVAS.

ITA, the Rural Iowa Independent Telephone Association (RIITA) and the Iowa Association of Municipal Utilities (IAMU) all share the same concern over the rules being “overly broad” and potentially harming rural economic development activities. The IAMU points out that the overbroad nature of the rules would “potentially apply to many meritorious projects for community economic development.” Even the Iowa Coalition of Access Payers (ICAP) state on page 1 of their comments that the “ICAP is aware that Iowa has long had legitimate high volume entities as part of its economic mix: call centers, catalog order centers, telemarketers, technical support help desks, and other similar companies.”

Imposing significant burdens on rural LECs based on arbitrary levels of traffic spikes is not good policy, especially when they could be natural growth activity reflecting a rural community’s success in attracting certain new businesses that have high telephone utilization. Iowa’s elected officials work tirelessly to develop new opportunities for businesses to come to rural Iowa. Each year there are new legislative initiatives, for example, the widely used Grow Iowa Values Fund, set up specifically to lure high-tech, information technology jobs.

Attached to these comments are letters from Senator Rich Olive, Vice Chair of the Senate Economic Growth Committee (D-Story City), and from the Chair of the House Economic Growth Committee, Roger Thomas (D-Elkader) relaying their concerns over the potential stifling of economic growth if the Board’s proposed rules remain unchanged.

Taken as a whole, the commenters seem to agree that rather than a using a shotgun approach, the solution should be targeted to address the cause of access stimulation. ICAP stated in filed comments that the Board’s best intentions were not well served by the current draft and that ICAP does not believe the proposed rules provide a workable framework to prevent the abuses identified. Verizon agreed that the Board’s objective would be advanced by particular adjustments to the rules currently proposed in order to avoid any unintended consequences. Qwest & AT&T ultimately agreed with the proposed rules, but suggested that the definition be revised to include new CLECs entering the market as they feel that “new entrants” are primary offenders.

Indeed, the lack of cohesive response to the Board’s inquiry on how to define HVAS is reflective of a deeper dilemma that ITA posed in its original comments and which remains unanswered: What is the specific problem that is sought to be addressed? Is this another 95% solution to a 5% problem?

AT&T's ex parte communications with the FCC earlier this month give insight into what it truly believes is the problem. There, AT&T claimed that its expense associated with 12 particular CLECs "account for 40% of total expenses for more than 700 CLECs" for September 2009. AT&T adds that those 12 CLECs had nine times as many terminating MOU as all 493 independent companies that utilized NECA band 8. AT&T's proposal focuses on finding the "right rate" for that high volume traffic.

ITA suggests that it makes much more sense to address that rate issue directly.

**b. The Board Should Create Rules that Address the Root Cause of Access Stimulation – Revenue Sharing Agreements.**

The Board's attempt to define HVAS improperly looks at outcomes, not causes. ITA suggests that rather than trying to craft rules that address access stimulation by looking at MOU increases, the Board should look at the business practices that lead to access stimulation. The focus should be on the relationship between the LEC and the "end user" or conference calling company. The Board references in its order for additional comments, the recent FCC order that addresses HVAS situations as defined by the "end user" status. The central question in the reconsideration proceeding was whether the conference calling companies were "end users" within the meaning of the switched access provisions of the tariff. The FCC found that the conference calling companies were neither "end users" nor "customers" of the LEC based on the agreements submitted as evidence and did not fall under the LEC's tariff. Because they are not end users then they do not fall under the LEC's tariff.

While ITA's initial comments at the oral presentation opened the door to considering whether an outright ban on revenue sharing agreements may be appropriate, ITA clarifies its position to state support for the review of such agreements and their impact on rate levels, not the outright ban on such agreements.

The Board and the FCC have both stated that revenue sharing is appropriate in certain circumstances. The Board focused on the particular business arrangements with the FCSCs in the *Qwest v. Superior* case and lacks information about whether there are other revenue-sharing arrangements that may be reasonable or what the distinguishing characteristics of those services might be. In the absence of a multi-service investigation, a broad finding of unreasonableness would be inappropriate and could have unintended consequences.

Consistent with these interpretations, the Board should examine revenue sharing agreements to determine whether an access customer is a net recipient of revenues from the local exchange carrier. The ICAP suggests a similar approach, first you have to meet a certain test to show that the traffic should be permitted, and second prove that the

compensation is legitimate. ICAP suggests that the Board look at what the FCC has ruled as unlawful and unreasonable in the *Farmer's v. Merchants* order on reconsideration and determine if the alleged end user is a net recipient or net payer. Do they receive services that are consistent with the description of local exchange services in the tariff, Board rules or FCC rules?

ITA suggests that the Board undertake to identify those circumstances where revenue sharing is appropriate and where it is not appropriate, and craft rules that allow review of the revenue sharing agreements. The focus should be on whether a LEC provides services to users via revenue sharing agreements that result in the access customer being a net recipient of revenues from the local exchange carrier. The attention should be directed to the propriety and impacts of "Purchased MOUs" and the impact of those MOUs on the proper rate to be charged....

**c. The Board should Merge all Discussions of "Non-Revenue Sharing" Traffic into the Access Reform Discussions.**

During the oral presentation, Board Member Hansen raised questions about whether large increases in volume that are not access stimulation-related might lead to over-earning unless there is some adjustment made for the new increased traffic. While this might be a legitimate concern, it is abundantly clear that there is no data in this record regarding local switching costs for any of the LECs who concur in the ITA Tariff.

ITA refers to the ITA Intrastate Common Line Cost Study filed in docket NOI-0802 "In Re: State USF." That Study examined the intrastate common line costs of 141 LECs who concur in the ITA Tariff. It shows that while individual company costs to provide common line service vary widely, overall common line costs per minute decrease in direct correlation to increases in minutes per line.

Although it is likely that switching costs will exhibit a similar direct correlation (and decrease as minutes per line increase), there is no basis to enact new rules to address non-"access stimulation" situations without undertaking a comprehensive review of the impact of rising MOU on costs.

To the extent that the Board has concerns about the fact that the ITA Tariff has a single intrastate access rate that does not vary with volume, ITA suggests the Board address those questions in the larger realm of overall access reform discussions.

**d. Neither the Board nor any Party has Suggested a Competitively Equitable, Rational Definition of HVAS.**

Any trigger based on pure MOU increase or a MOU percentage increase or some combination thereof is nearly certain to create arbitrary and disparate impacts on companies who are similarly situated.

First of all, there is nothing in the record to justify drawing a line at 100% increase in MOU, or 90% or 110% or 25% or 200% for that matter. Second, questions asked by Board member Hansen point out the unlikelihood of creating a logical baseline upon which any MOU increases can be measured. What year is used? How is the data normalized for other types of explanations? How many years will be examined? Without clear and rational answers to these questions, any rules would necessarily be arbitrary and capricious.

Assume one company currently bills for 20,000 minutes of intrastate access per month. This company has relatively low growth and is able to charge access rates pursuant to the ITA Tariff. By contrast, a neighboring company bills 5,000 minutes of intrastate access per month and is also able to charge the same intrastate access rate under the ITA tariff. Suppose that the neighboring company lands a small calling center, expands to new communities, or institutes a new help desk for services it offers. Assume the calling volume results in an increase of 10,000 MOU per month (a 200% increase over past traffic). It would then be billing 15,000 minutes per month, yet under any of the proposed definitions of HVAS in this rulemaking docket, the company's access billings would give rise to the necessity of an HVAS examination. This is an unjust result, especially when compared to a similar company that already bills a higher amount of MOU per month who would not be subject to such increased scrutiny.

Another example is where a rural community has a medium sized call center. Due to the economy, the call center temporarily shuts down as workers are laid off. Access minutes noticeably decrease. Nine months later the center reopens and the access minutes for that LEC see a significant spike due to the active nature of the calling center. This spike would also draw the attention of a HVAS examination under the current proposed rules.

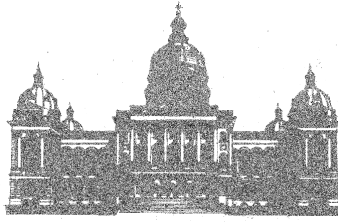
Furthermore, the IXCs claim the rules would "only" establish a rebuttable presumption that the LEC could then disprove. The problem, once again, is the heavy-handed process that must be exercised in order to rebut the presumption. In other words, it is "guilty until proven innocent" via a process that includes prohibitive barriers for small companies with limited means.

Does the Board truly wish to consume its resources arbitrating disputes on whether new business clients generate higher volumes of traffic? During the pendency of an HVAS review, a prospective business client remains unserved (because the rural phone company cannot assess access charges), or decides to locate elsewhere. This is not what the Iowa Legislature intends.



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Economic Development

January 28, 2010

To the Iowa Utilities Board:

I was informed that the Iowa Utilities Board is doing a Rule Making Order to address High Volume Access Service that may impact rural Iowa. I understand the Board's initiative to address a problematic situation but have some serious concerns about the broad nature of the proposed rules.

As Chair of the House Economic Growth Committee I am particularly passionate about bringing our rural community's opportunities for Economic Growth. We work diligently to create and manage economic growth incentives to bring in new businesses and opportunities to the rural landscape.

I am concerned that the proposed rules, as they stand, could have an unforeseen effect on valued economic growth incentives and I would ask that the Board be cognizant of these incentives when finalizing and submitting these rules to the Legislature for approval.

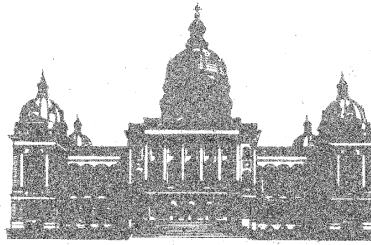
Thank you for your time,

A handwritten signature in cursive script that reads "Roger Thomas".

Roger Thomas  
Iowa House District 24

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Local Government

January 28, 2010

To the Iowa Utilities Board:

Recently I have been made aware of the Iowa Utilities Board Rule Making Order to address High Volume Access Service. I applaud the Board's initiative to address a problematic situation but have some serious concerns about the overly broad nature of the proposed rules.

As Vice Chair of the Senate Economic Growth Committee as well as the Chair of my local Economic Development Recruitment Committee, I am particularly passionate about bringing our rural community's opportunities for Economic Growth. We work diligently to create and manage economic growth incentives to bring in new businesses and opportunities to the unique rural landscape.

I am concerned that the proposed rules, as they stand, would have a chilling effect on valued economic growth incentives and I would ask that the Board be cognizant of these incentives when finalizing and submitting these rules to the Legislature for approval.

Thank you for your time,

**Senator Rich Olive**

Senator Rich Olive